



BUSINESS ADVISORY COUNCIL MEETING MINUTES

DATE: Thursday, October 16, 2014

TIME: 1:10 p.m. to 3:11 p.m.

LOCATION: 707 3rd Street, West Sacramento, CA – Auditorium

CALIFORNIA HIGH-SPEED RAIL AUTHORITY REPRESENTATIVES:

Thomas Fellenz, Council
Chair

Robert Magnuson, Chief of
Communications/External
Affairs

Jose Camarena, Director of
Contract Compliance

Karen Massie Withrow,
CHSRA

Patricia Padilla, CHSRA –
PMT

Olivia Fonseca, CHSRA –
PMT

Emily Ryan, CHSRA – PMT

Austin Kidwell, CHSRA -
PMT

MEMBERS PRESENT:

ACEC: Arvin Chaudhary

AAAE: Eddy Lau

AAa/e: Linden Nishinaga

AGC: Sam Hassoun

DVBA: Chris Coles

ESDVOBN: Bill Ulmer

KMCA: Marvin Dean

LRRT: Paul Guerrero

LBA: Leonard Ortiz

NAACP: Betty Williams

NCA: Diana LaCome

SFAACC: Fred Jordan

WCOE: Lee Cunningham

CHCC: Jesus Vargas

SAME: Vida Wright

WTS: Maritza Acosta

MEMBERS ABSENT:

AICCC: Gretchen Cox

ABA: Jason Kim

CAACC: Scott Leslie

CBCC: Aubry Stone

GFACC: Debbie Hunsaker

USPAACC: Clyde Wong

ALTERNATES PRESENT:

AICCC: Adam Holt

CAACC: John Nguyen

SFAACC: Caesar Churchwell

GUESTS

Michael Aguillo, Department
of General Services

Gregory Akhenaton, Lee
Andrews Group

Brenna Garcia, SJCHCC

Serena Kallas, GLA

Teck Lai, Steelheart
International

Tom Nichols, Society of
American Military Engineers

Stephani Urzi, Lime Works

Nikki Whitfield, Lime Works

Maurice Young, TPZP



BUSINESS ADVISORY COUNCIL MEETING MINUTES

ITEM 1: WELCOME/INTRODUCTIONS (Thomas Fellenz, Council Chair)

- Council Chair Fellenz opened the meeting at 1:10 p.m. by welcoming everyone. Council Chair Fellenz initiated introductions of members and guests present.

ITEM 2: APPROVAL OF JUNE AND AUGUST MINUTES (Thomas Fellenz, Council Chair)

- Council Chair Fellenz presented the draft minutes from the June 19, 2014 meeting, with an addendum on Maurice Young's presentation at that meeting, and the draft minutes from the August 21, 2014 meeting.
- Member LaCome moved that the June 19, 2014 minutes be adopted. Member Dean seconded the motion. The minutes were adopted by majority vote.
- Member Dean moved that the August 21, 2014 minutes be adopted, Member Vargas seconded the motion. The minutes were adopted by majority vote.

ITEM III: ADMINISTRATIVE ITEMS (Thomas Fellenz, Council Chair)

- Members were informed that reaffirmation letters notifying the Authority that their organizations intend to continue their membership on the Council in 2015 are due by the end of the year. A sample letter was included in members' packets and will be sent to members via email.
- It was announced that Jose Camarena would be assuming the role of the Small Business Advocate, in addition to his current role as Director of Contract Compliance.
 - Robert Magnuson added that this will centralize and consolidate the Authority's efforts to involve SBE/DBE/DVBES on the High-Speed Rail Project. He stated that additionally staff would be added, under Mr. Camarena, to enhance the Authority's outreach and compliance efforts, and that the regional offices would be taking an expanded role in these areas.
 - Member Cunningham stated that the separation of these two roles was seen positively by some potential subs and suggested that the Authority keep this in mind while adding staff.
- It was further announced that Council Chair Fellenz will be stepping down as Council Chair in the New Year. Starting with the February, 2015 meeting Jose Camarena will Chair the Business Advisory Council.
 - Member Dean stated with no disrespect to Mr. Camarena, that he would prefer someone higher up in the Authority to be Chair. Council Chair Fellenz indicated Mr. Camarena is an executive manager and has access to himself and Jeff Morales, Chief Executive Officer (CEO).
 - Member LaCome asked whether Mr. Camarena would have unfettered access to Mr. Morales, CEO.
 - Both Mr. Camarena and Mr. Magnuson answered that he would have such access.

- Members were advised of the new DBE regulations, which had previously been sent to members via email, and an analysis of Senate Bill 854 included in Members' packets.
- Members were informed of recent legal cases decided in the Authority's favor. The California Supreme Court has declined to hear two lawsuits, one arguing that the Authority's plan was not Proposition 1A compliant and the other involving Bond Validation. Therefore, the appeals court decision to allow the Authority to issue bonds will stand. This will allow the Authority to issue bonds, pursuant with Prop 1A, and will provide an expanded funding source when combined with Cap-and-Trade funds.

ITEM IV: COMMITTEE UPDATES

PROFESSIONAL SERVICES COMMITTEE (Arvin Chaudhary)

- Item 1: Requested that the Authority technical staff attend all future meetings of the Professional Services Committee and stated that the committee would submit an official request that one of the three regional directors, or their designee, attend the committee meetings in future.
- Item 2: Affirmed that multiple committee requests would be submitted within a week and that the committee would be adding a requested response date to its requests.
- Item 3: Stated that the committee was drafting a request on specific language in regards to standing Committee Request 1, which requests written guidelines for debriefing Architect & Engineering contracts.
- Item 4: Affirmed that the committee would be submitting a request to add Safe Harbor Rates as an option for the calculation of overhead rates in the Authority's Annual Work Plan.
- Item 5: The committee has prepared a request on specific language for standing Committee Request 4, which requests the separation of the design and build aspects of contracts in regards to the 30/10/3 goal.
- Item 6: Requested that the Authority facilitate forums between potential prime contractors and subcontractors. This would allow potential subcontractors to have an understating of what work is available and connect prime contractors with viable subcontractors.
- Item 7: The committee expressed that is would prefer more information be included in the Small Business Utilization Reports. The committee is still deliberating what differences it would like made in these reports.
- Member Lau asked for information on the Authority's policy on conflicts of interest, in particular in regards to the upcoming re-procurement of the Program Management contract.
 - Council Chair Fellenz stated that that generally firms with Regional Consultant contracts would not be allowed to bid on the Program Management contract, though they could if they first terminated their regional consultant contract.
- Member Nishinaga asked that the Authority provide business cards for primary Council members.

CONSTRUCTION COMMITTEE (Sam Hassoun)

- Item 1: the committee reviewed its strategic goals, which are as follows:
 - Prompt payment to SBE/DBE/DVBEs and an effective prompt payment and dispute settlement mechanism to subcontractors. It was stated that BART paid subcontractors directly in the 1980s and that Jim Van Epps may be aware of this mechanism. It was suggested the Authority ask Mr. Van Epps if he is aware that BART paid subcontractors directly as an effective prompt payment dispute settlement mechanism.
 - Effective outreach and marketing by both the Authority and the BAC members. Mr. Hassoun requested that members be provided with more promotional materials and information in order to be promotional resources for the Authority.
 - Delineation of the distinction of the SB utilization plans for the Authority and California Department of Transportation and other relevant agencies.
- Requested that upcoming solicitations be sent to the BAC so each member may be able to post the announcement on their website and be effectively advertized.
- Requested that members be provided a per diem to attend council meetings.
- Member Cunningham requested that members be provided up-to-date talking points on the utility of the High-Speed Rail project in order to promote the project to potential subcontractors and among the constituents of BAC member organization.
 - Mr. Magnuson stated that these materials are continuously updated on the website and that informational materials would be sent to council members.
- Member Dean requested information on bonding and insurance measures.
 - Council Chair Fellenz stated that Jon Tapping would be invited to the next BAC to discuss bonding and insurance measures.
- Member Guerrero requested that Council Chair Fellenz provide clarification on what constitutes a contractor for the Authority's purposes and in reference to SB 854.

ITEM V: PROJECT UPDATE (JOSE CAMARENA, DIRECTOR OF CONTRACT COMPLIANCE)

- A look ahead report detailing upcoming procurements has been prepared. It currently lists 4 contracts: two regional consultant contracts, the Program Management Team contract and the RFQ for Construction package 4. This information will be posted on the Authority's website.

ITEM VI: SMALL AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAM UPDATE (JOSE CAMARENA, DIRECTOR OF CONTRACT COMPLIANCE)

JOSE CAMARENA

- Authority staff participated in several outreach events involving small businesses:
 - At the Regional Business Metro Expo, in Sacramento on September 25, Karen Massie Withrow served on a panel that advised small businesses on the benefits of certification and engaged small businesses with information on how to become involved with the High-Speed Rail project.
 - The Authority was present at a DVBE matchmaking expo in Sacramento on October 1 in which DVBE's were connected with opportunities to work on the High-Speed Rail project.

- Jose Camarena attended the San Joaquin Chamber Hispanic Chamber of Commerce outreach event on October 9.
 - Additionally, Member Williams shared a success story related to a certification workshop hosted by the NAACP and the Authority. Many African American businesses attained certification on the spot. Member Williams noted that this had a doubly positive effect: these businesses became eligible for work on the High-Speed Rail project and also became eligible for a range of other opportunities outside the High-Speed Rail project.
- The Authority will conduct three on-site certification events with the Department of General Services in the Central Valley.
- Member Jordan asked whether these workshops would be expanded to other regions, and the Bay Area specifically, and whether DBE certification would be included
 - Mr. Camarena answered that this year the focus is on the Central Valley, because subcontracting opportunities are particularly concentrated there, and that workshops would be expanded to other regions next year. He furthered answered that SBE certifications are attainable through a one-day process, however, the DBE certification process is more complicated and a DBE is not able to obtain a DBE certification in one day.
 - Olivia Fonseca added that the new DBE rules significantly impact the certification process. She advised members to closely examine the new DBE rules and the new requirements to obtain and maintain a DBE certification.
 - Mr. Camarena indicated he will contact Caltrans to see how the Authority may partner with them to host a one-day DBE certification effort.
- Member Jordan asked if certification was required when proposals are submitted or when work starts.
 - Ms. Fonseca responded that certification was required when proposals are submitted because evaluating SBE/DBE/DVBE participation, and ensuring that they will be compliant with the Authority's Commercially Useful Function policies, is part of the contract award process.

Maurice Young was introduced to discuss Tutor Perini/Zachry/Parsons (TPZP) SBE/DBE/DVBE utilization on CP 1.

- Currently, TPZP is in the design phase of its contract, and is undertaking work such as surveying, utilities investigations and geotechnical investigations. It is also abating and demolishing properties upon acquisition.
- TPZP current has 42 SBE subcontractors, of which 16 are DBEs and five are DVBEs. Additionally, TPZP has 11 SBE vendors, one of which is DVBE.
- To date, 41.3 percent of the project has been committed to subcontractors. 29.76 percent has gone to SBES, 19.3 percent has gone to DBEs and 2.19 percent has gone to DVBEs. An additional 1.33% to SBES, .087% to DBEs and 1.085% to DVBEs is currently pending.
- TPZP's supportive series include a CCIP insurance program, subguard insurance, expedited payments, issuance of joint checks and efforts to connect subcontractors with potential lower-tier subcontractors.

- TPZP is having some issues ensuring certified payrolls are properly submitted and reported and did a workshop in August on this process.
- Member Jordan stated that he had heard that TPZP was utilizing only four DBE subcontractors and that, if true, this did not meet the spirit of the DBE goals.
 - The Small Business Jobs and Participation Report listed sixteen DBE firms with work on CP 1.
- Member Coles noted that the DVBE goal had not yet been met and asked why this is the case.
 - Mr. Young responded that the 1.085% pending commitments to DVBE firms will lead to TPZP meeting its DVBE goal.

JOSE CAMARENA

- Small Business Utilization and Jobs Report
 - Emily Ryan stated that this report includes information on the 35 SBE subcontractors working on CP 1, and lists their name, scope and certification type. This report will be a quarterly report that will examine different contracts.
 - Member Wright noted that the report lists five companies outside of California and asked if they companies outside of California are counted.
 - Ms. Fonseca responded that companies outside of California are counted if they have one of the certifications recognized by the Authority.
 - Member Coles asked if hours in the report are cumulative or monthly.
 - Ms. Ryan stated that an email would be sent to members clarifying the numbers.
- Member Dean asked Mr. Camarena if it was correct that CP 2-3 has been extended.
 - Mr. Camarena responded that it had been extended an additional week.
- Member Jordan requested information on why the Authority decided not to build a station in Allensworth, a town of historic significance to the African-American community.
 - Council Chair Fellenz stated that he was looking into the matter and would provide this information directly to Member Jordan.

ITEM VII: BUSINESS ADVISORY COUNCIL REQUESTS/ACTION ITEMS

There are two recommendations pending from the Professional Services Committee, both awaiting updated language from the committee:

- Official Recommendation 1: Request the Authority perform debriefing for non-successful firms and develop guidelines for debriefing A & E contracts.
- Official Recommendation 4: Request the Authority to amend the SB Program Plan to separate the PS (design) and construction (build) SB Goal (30/10/3) for each scope including language for identification and tracking or separate participation.

ITEM VIII: ADJOURNMENT

- Council Chair Fellenz adjourned the meeting at 3:11 p.m.